

Item: _____
Fiscal Impact: _____
Funding Source: Tax Increment
Account #: _____
Budget Opening Required: ☐

ISSUE:

Approve a Resolution authorizing an Amendment to the Agreement for the redevelopment of Valley Fair Mall between the City, the West Valley City Redevelopment Agency (“RDA”), and Coventry III/Satterfield Helm Valley Fair Mall, LLC, the Valley Fair Mall owners and rescinding previously approved Resolution No. 09-05.

SYNOPSIS:

This Amendment to the Agreement for the redevelopment of the Valley Fair Mall will reduce the total square footage of leaseable space required at the Mall in order for the Mall owners to qualify for a tax increment subsidy from the RDA. The square footage changes are as follows:

Substantial Completion: original 897,750 / new 800,000 square feet
Space under lease: original 673,125 / 550,000 square feet
Minimum Acceptable Improvement Area: original 139,000 / new 100,000 square feet
Town Center: original 41,325 / new 35,117 square feet

The Amendment also provides for the payment of RDA funds to the mall owners as construction is completed on additions and redevelopment of the Mall.

BACKGROUND:

In the original Agreement, the RDA agrees to pay a tax increment incentive to the Valley Fair Mall owners to facilitate the renovation and expansion of Valley Fair Mall. The amount of the tax increment incentive represents approximately 70% of the new property taxes that will be received by the RDA over the life of the Project. The RDA will issue redevelopment bonds, pay the bond funds to the Valley Fair Mall owners, and will use the tax increment as the source of funds to make the bond payments. The Amendment provides that the payment of the tax increment incentive will be paid as mall construction invoices are presented to the RDA. The RDA funds will not provide funding for the payment of more than 50% of any invoice and the total payment will not exceed \$7.6 million. If the RDA is for some reason unable to bond for the tax incentive payment then it has agreed to pay to the Mall owners, 70% of the tax increment received by the RDA over the life of the project as the tax incentive.

RECOMMENDATION:

Staff recommends the City Council approve this resolution.